

Saudi Government Hosted “Green Shoring” Workshop - Assisting Supply-Chain Decarbonization of Japanese Firms -

May 28, 2024

Japan Cooperation Center for the Middle East (JCCME)

On May 17, 2024, the Ministry of Investment for Saudi Arabia (MISA) and the Ministry of Industry and Mineral Resources jointly held the “**Green Shoring**” Workshop in Tokyo to boost Japanese companies’ investment in Saudi Arabia. This event, which was also supported by JCCME, gathered over 220 participants from Saudi government agencies and companies as well as Japanese companies.

At the opening of the event, Omote Takashi, Executive Director of JCCME; Akiyama Shiro, Managing Director of JETRO Riyadh; and Waleed AlRubaie, Managing Director of Petrochemicals & Conversion Industries at MISA, delivered opening addresses.

Saudi speakers provided explanations on (a.) national industrial strategy, (b.) special economic zones, (c.) the global supply chain resilience program, (d.) Saudi’s new “Green Shoring” policy, and other topics. Networking events, including meetings between representatives from Saudi Arabia and individual Japanese companies, as well as luncheon meetings, were enthusiastically received by attendees.



Omote Takashi,
Executive Director of JCCME



Participants in the Event

Key Presentations

a. National Industrial Strategy (for Chemical Sector)

by Wael Alomairi, Executive Director, National Industrial Development Center

- Based on the Saudi Vision 2030, which was announced in 2016, the National Industrial Strategy has been established to focus on the following 12 industrial clusters (metal mining, chemical, renewable energy, building materials, machinery

and equipment, automobile, aerospace, military, maritime, pharmaceutical, and food processing industries). This strategy aims to quadruple the scale of manufacturing industry by 2035.

- Especially for the chemical sector, MISA revealed its policy to quadruple production capacity of base and in-process raw materials for special chemical products in both organic and inorganic chemistry sectors through the use of abundant natural resources (crude oil, natural gas, phosphorus, silica, etc.) with an investment of 55 billion US dollars. The strategy also includes accelerating the production of commodity plastics, engineering plastics, and elastomers as import substitutes, prioritizing 20 special chemicals (catalysts, aroma chemicals, surfactants, food additives, etc.)

b. Special Economic Zones

by Tariq Assiri, Director General, SEZ Investment Development, Economic Cities and Special Zones Authority

- Saudi Arabia is focusing on specific industries and has opened four investor-friendly special economic zones (SEZs).
- King Abdullah Economic City (KAEC) , located on the coastal area of the Red Sea, can accommodate various industries. Lucid and Hyundai have already started production of EVs and tires respectively. Additionally, Ras Al-Khair Economic City specializes in shipbuilding and maritime industries; Jazan Economic City is a growing hub for the food processing industry; and the cloud computing economic city in Riyadh, where IT giants such as Microsoft and Oracle have already launched their services. Those SEZs are welcoming Japanese companies' participation.

c. Global Supply Chain Resilience Program

by Faysal Hamza, Minister Sr. Advisor, MISA

- This program is one of the national plans led by H.R.H. Prince Mohammed bin Salman bin Abdulaziz Al Saud and was launched in 2022, focusing on the above 12 prioritized clusters.
- The program consists of the basic package and the customized incentives and provides various incentives such as cash, land, utilities, capital, low-interest loans, and preferential taxations.
- Many Saudi sectors require no local partners as foreign investment is 100% acceptable. MISA plays a role in assisting businesses to find a best partner upon the request from a company.

d. Supply Chain Optimization for Japanese Firms with “Green Shoring”

by Corrado Panzeri, Head of InnoTech Hub, The European House-Ambrosetti

- Decarbonization is crucial for modern society as it directly influences a country's

international competitiveness through reduced carbon emissions. Saudi Arabia aims to contribute to decarbonization in Japanese companies' value chains. For instance, 36 EU countries have adopted emissions trading systems (ETS), shifting more burden onto private companies in CO2 emissions. The EU has also introduced the Carbon Border Adjustment Mechanism (CBAM), imposing taxes on not only domestic CO2 emissions but also imported emissions.

- Saudi Arabia can positively impact Japanese companies by helping them comply with regulations and maintain leadership through affordable and sustainable decarbonized energy solutions. Through the vision “Green Shoring”, Japanese firms can transform decarbonization challenges into business opportunities by optimizing supply chains in eco-friendly ways and reorganizing manufacturing processes and logistics to reduce environmental impact.

JCCME aims to collaborate with MISA and other relevant organizations in Saudi Arabia to help Japanese companies successfully enter the local market and engage in local initiatives.

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